

EXHIBIT 105

12/05

①

North Star / K-M

Asbestos Claims - Meeting w/ Herb Giffens,
 Joon Huh (Mesirow), Michael Haftl (Mesirow),
 Bob Julian (Winston & Strawn), Peggy Sheneman
 (Winston & Strawn), Robert Socol, Andy Ward,
 Bob Levine, John Hommel, Erin Turley

524(g) Plan

- negotiate the settlement w/ the lawyers

3- Parties

- (i) The Company (Shareholders, EETs and Creditors)
- (ii) Future Representative
- (iii) Current Claims (Known + Unknown)

BKR Plan - ^{Plan}Vote (A) and Injunction Relief (B)

(A) $\frac{2}{3}$ in \$ and $\frac{1}{3}$ in number to approve
 the Plan [one Class to the Vote: Asbestos
 Claimants]

(B) - Need to get 75% of the People (1-man
 holding claims to get
 Injunction against future
 Claims)

EXHIBIT

256

Hommel 5-08-08

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(2)

Impact Asbestos Claims:

- + Conburstend Engineering 3rd Circuit Case
- + State legislation - [may ^{put} non-military cases out]
- Does not impact Milelango Cancer Case + lung Cancer

Size of Awards Depends on:

- Strength of the law firm
- Jurisdiction
- Type of Client

Texas Counsel for Kelly-Moore feels 80-90% of the cases will fail.

~~ACC~~
① Pre-Negotiated Plan or Pre-Pack

- Lawyers (9 large firms) say ~~at~~ by 6/30
~~Pre-Pack~~
= Documents - - Recommend to Client

- Will not start sue for

180 days (Start)

- July - Ballot forms
+ Claims forms w/ Aug

w/ 75%

- ... and Rev. share

Advantage - Small Case, Convert the Case ~~to~~ into Cash, 17 attorneys can show, 2. x ~~the~~ no 149 is needed.

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(3)

Key Part of the Negotiations -
Claims -

From Prior Paper

- There will be some objections
- Easier to disallow voting claims and harder for distributions.

- Bkr Ct Cuffins Pl
- District Ct assistance. Injunction (Probably be issued prior than 6 months b/c Ferguson)

(2)

Blowup

Pre-Negotiation

- voting while in the Bkr

- Global Settlement But no votes
- Look at in negot.
- Modify Plan
- (or) - Then Vote in the Bkr

"Could go in Free Fall" Bkr

or... Stay course + continue fight off District Court

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(4)

- Potential Asbestos legislation ~~in the state~~ at National level there is a 6-months Reach Back. Payment for ~~the years of~~ 30 years = \$16,000,000 per year.

4 Options:

- 1- 524(g) Trust
- 2- BK Case Freefall to get automatic stay
- 3- Congress could
- 4- Continue the Tort System

Time Table - Kelly-Moore would like to file and complete in 6/30/05
 {filing 524(g)}

Cases - History Kelly Moore Co

1996 Commencement of Asbestos Cases

1997 Payments started in 1997

5,000 cases have been resolved \$241,000,000

w/ 150 mm in defense costs

\$100 mm in Mesothelioma Cases (1/2 of total Mesothelioma Cases)

\$27 mm Lung Cancer 200,000

\$5 mm Miscell Cancer 1,000

\$90 mm 10,000 for Non-Malignant Cases

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| | | |
|--------|--------------|-----------------------|
| April | <u>Clans</u> | |
| 50,129 | | <u>June</u> 40,000 |

32,231 ^(Clans) 64% of the total in 6 non Kelly - Moore States, Arkansas, Florida, Georgia, Louisiana, Miss, and Ohio

- Failure of TI to identify that TI was sp painting/skaping w/ Kelly-Moore product.

Kelly-Moore did not sell nation wide. The other companies did sell nationally

- A lot of these cases are being dismissed "w/o prejudice" so they reappear themselves somewhere else.

Notes: Strategy - Put in motion that the 64% is not entitled to vote.

Strategy on who votes - Tx Non-malign + may be a opportunity in Florida etc to convert 300 to get cash + vote + Not 3000 in Florida
Attorneys Control the Vote.

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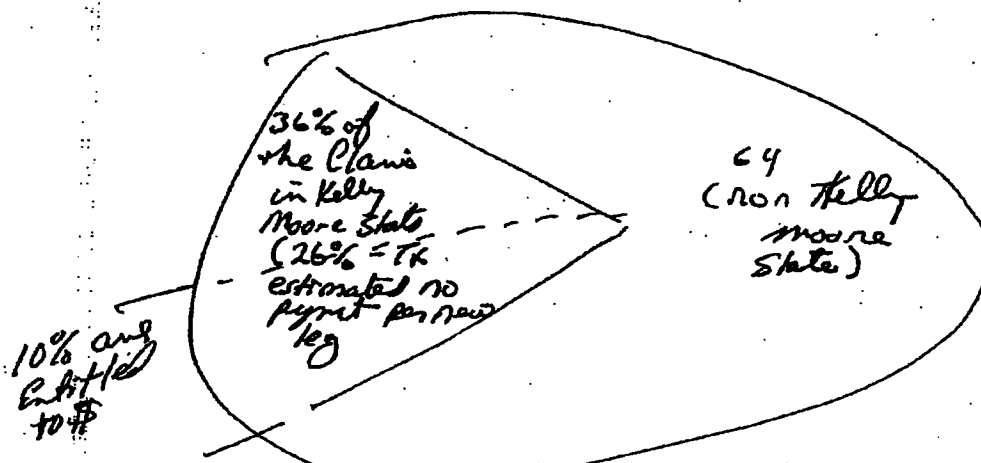
- 16,613 - 33% of total in TX (15,200 Non-Malignancies)
- 13,000 - 26% are Texas Claims that s/not results in payment as a result of new leg

[85%

[Need to look at the new Tx leg]

- applies to lawsuits filed after 9/30/05 + B/L 9/30/05 if not tried B/L 12/31/05
- need 3-things (i) Honest Doctor (ii) spot on lung (iii) Impairment
- Could see a lot cases being re-filed in other states
- & - all these come down to 1-judge in Houston

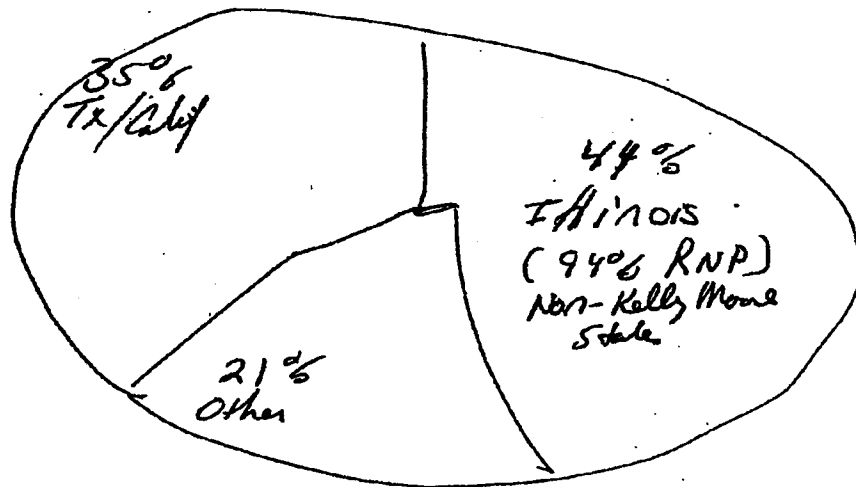
All Claims



(7)
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Mesothelioma Claims



New Texas Mesothelioma Claims by Month
5 month Averages. It is going down.
This litigation is about "men" exposed
for working in industry. Now there
with women who did not work in the
industry work (back then).

Law firms sell "Cases" to other law firms to
pursue.

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8

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Expert - Thinks this s/ be

74 m Cent Clay

54 m Future

120 - 130 m

(Does not account for Defense Costs)

Raz - Felt

A Petersen - AEC

~~Amber~~ - Compay
Dunbar} 3-expert
that typically
serves in the asbestos
litigation

* IT that were in
John Manville are
IT in the Kelly-Moore.

↳ This has work history

Dr. Price is expert

Dr. Stallard is the other expert

↳ North of \$500 m

} Experts for
Kelly-Moore

- Meisow's Valuation - \$500 m (Valuation)
(Kelly-Moore Valuation)

- Need to impeach Dr. House Report

that \$1.3 Bill Claim Pool (union
Coulson)

- Dr. R222 began - Critical of the House Report

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Claims versus 51% of FMV of property

Insurance

- Settlement \$32 mm
- Claims Kelly-Moore
agst Recreational agst
Insurer 40 mm
- Litigation 8 mm
80 mm

List of potential ~~trial~~ trials-

- There are 6 key trials Mes Claimant w/ demands for aggregate for \$20,000,000
- One \$60mm claim was settled for \$275K.
- Taken a look through ^{Memo} litigation through 9/30/05. Steve Folly is bullish on the cases and winning the cases
- Independent Assessment by Bob
 - There is an ~~pen~~ issue on punitive damages.
 - Union Carbide case - Kelly Moore admitted that Product did cause Melo / asbestosis
 - In 1970 - Kelly Moore, these documents knew and said that

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(10)

26 bests created Mes OCS)
- Punitive Damages

Punitive Damages is an issue.
Herb - Kelly Moore's product
satisfied rules set by OSHA
(even below the levels). Kelly Moore
Complied the law by Menocs)
Industrial Hygiene Kelly Moore
& produced "Short Filter Test"

- Herb's testimony in Union Carbide.

2 - Cases for Punitive Cases are in LA. Kelly
Moore has a significant issue problem
because of the ~~an~~ internal Menocs).

1. The big risk for continuing through the
"tort system" is the Punitive Damages
2. ~~Disco~~ - Continental Insurance \$32. mm for Damages
(No defense Costs)
- ~~As~~ (US) Fireman - Pays defense cost
3. Risk that Reform is passed / not passed
B/c of the reach back

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(11)

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Discussed Insurance Status

| | | |
|------------------------|---|---|
| Continental | 32,700,000 (Approx) | |
| Transport | 5,000,000 (Approx) | goes into the Trust - Key Product L & G |
| Westchester | 5,000,000 | |
| Mission | \$13,400,000 \$22,000,000 | (is insolvent + in Receivership - Ins Controller will pay \$13,400,000 and may get more) |
| Centaur | \$10 mm | Insolvent + close to 100% D.J. Ind (This Umbrella + Kelly Moore is way above the limits for payment) |
| Integrity | \$2.0mm <hr/> 68 | (Insolvent) low Probability |
| North River | | |

\$80mm if 68mm Centaur + Mission 100% Paid

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(12)

U.S. Fire \$17mm available for payout
(case 1) on claims (no defense). It's in
trial. Goes to the trust. 524(g).

(Case 2) Kelly Moore has case for "Defense
Costs" of \$50mm against
U.S. Fire. Kelly Moore will retain
the \$ + not going to the 524(g)
Trust. Heller is doing an hourly
fee.

In neg, the proceeds may be
required to make payments to the
524(g) Trust.

Heller Ehrman is the law firm representing
Kelly-Moore in the insurance recovery.
David Goodwin and Mike Greenberg are the
attorneys at Heller Ehrman handling the case.

Philip Pillsbury of Pillsbury Levinson

10/2/05.

13

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Issues

1. Value of the Claims
2. \$ to paid to Cancer Claims (Mesos)
3. Value of the Company and Cash Flow
4. ESOP
5. New Bkr Gd 10/20/05 effective
 - Exclusivity 180
 - Free Fall - Asbestos will wait
 - 60 minutes - Retention Payment

Strategy - New legislation -

- Question whether to pay \$1,000 per individual (Convenience cases) to obtain votes. May not work under current Tx leg.
- TOPA (Trust Distributors Plan Agreement)
- TT's attorney - Claim Confirmation
 - Vote delivery
- (Process in the advance)

- How much \$ left then Company
- B/c of the ESOP Transaction in 1998
- Was the "adequate consideration"
- Claim looked at - TT show m/ show to low of capital to pay asbestos claims + ESOP was to defend the TT(s)
 - In 1997 Claims - \$50K spent
 - In 2001, Company paid \$5mm in El Paso Tx. (Need to case)

3/24/05 North Star/K-M

(17)

(Water & Krause Firm in Texas
- (Case in LA & Pending Damages)
- Re

- Auditors

- Audited Financials

-- lawyers letter at Winston following the
Price Opinion

-- "Going Concern" [next 12 months]

-- Price will produce a report on June 22, 05

- Schedule - Bob Julson - Due Diligence factual information

- Baird Pillser

- Victor

- Record -